

Verification, Updates, and Corrections

CHAPTER 4

Because students sometimes make errors on their application, there is a process for verifying applications and making corrections. The Central Processing System (CPS) selects which applications are to be verified, but you also have the authority to verify additional students.

You must verify applications selected by the CPS of students who will receive or have received subsidized student financial assistance, as defined in the margin. Verification is not required for students who are only eligible for unsubsidized student financial assistance (however, see *Verification exclusions* later in this chapter for an important caveat). While graduate students are ineligible for most types of subsidized Title IV aid, they are eligible for Federal Work Study and would need to complete verification if they are selected and receive that aid. Students who are eligible for both subsidized and unsubsidized Title IV aid may not avoid verification by accepting only unsubsidized aid; they must complete verification to receive any Title IV aid. However, see the relevant margin note on page 93.

REQUIRED POLICIES AND PROCEDURES

Your school must have written policies about

- the time period in which students must submit verification documentation,
- the consequences for failing to submit those documents in time,
- the method you will use to notify students if their EFC and Title IV aid amounts change,
- the procedures you or students will follow to correct FAFSA data,
- the procedure you will follow to refer a student to the Office of Inspector General (OIG)(see *Chapter 5*).

Your school must provide, in a timely manner, students selected for verification a clear explanation of their role, including what documents they must submit, the deadlines they must meet, and the consequences of failing to meet them.

You must complete verification for a selected student before you exercise professional judgment to adjust any values that are used to calculate the EFC. But making a PJ adjustment does not require you to verify an application that isn't selected.

Verification regulations

34 CFR 668.51–61

Definitions

34 CFR 668.52

Subsidized student financial assistance programs—Title IV programs for which eligibility is determined by the EFC. These include the Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Perkins Loan, and Direct Subsidized Loan programs.

Unsubsidized student financial assistance programs—Title IV programs for which eligibility is not based on the EFC. These include the Teacher Education Assistance for College and Higher Education (TEACH) Grant, Direct Unsubsidized Loan, and Direct PLUS Loan programs.

The Iraq and Afghanistan Service Grant is a non-need-based grant and is not subject to verification.

Policies and procedures

34 CFR 668.53

Verification items for 2018–2019

34 CFR 668.56

The verification items for 2018–2019 are the same as last year's:

- Adjusted gross income (AGI)
- U.S. income tax paid
- Education credits
- Untaxed IRA distributions
- Untaxed pensions
- IRA deductions and payments
- Tax-exempt interest
- Income earned from work
- Household size
- Number in college
- High school completion status
- Identity/statement of educational purpose

See the May 5, 2017, *Federal Register*.

Changing tracking groups

A student may move from Verification Tracking Group V1 or V4 to group V5 based on corrections made to her CPS record or on other information available to the Department. If verification was already completed for the previous group, the student is only required to verify the V5 information that was not already verified. If verification was not completed for the previous group, the student only needs to verify the V5 information.

No disbursements of Title IV aid may be made until the V5 verification is satisfactorily completed. If the applicant doesn't complete verification, the school is not liable for any Title IV aid it disbursed prior to receiving the group V5 ISIR. The applicant is liable for the full amount because without verification there is no evidence she was eligible for that aid. See the [electronic announcement of October 31, 2016](#), for more information about disbursements and potential return of funds when students are selected for verification.

APPLICATIONS AND INFORMATION TO BE VERIFIED

The Department's long-term goal is for a customized approach to verification. A menu of potential verification items for each award year will be published in the *Federal Register*, and the items to verify for a given application will be selected from that menu and indicated on the student's output documents. Output documents will continue to include only one verification flag to show students who were selected, and they will need to verify all the FAFSA items shown in the margin that apply to them.

The verification flag will have a value of "Y," and next to the EFC will be an asterisk referring to a comment in the student section of the SAR that tells applicants they will be asked by their schools to provide documentation. A verification tracking flag will be set on the applicant's Institutional Student Information Record (ISIR) to indicate placement in one of the 2018–2019 verification tracking groups.

In some cases you, not the CPS, will select a student for verification. You must verify any information you have reason to believe is incorrect on an application. Also, you may at your discretion require a student to verify any FAFSA information and provide reasonable documentation according to consistently applied school policies. In either case you may, but are not required to, include any of the CPS verification items not already included. Whether you do that or not, students with these applications are considered selected for verification and, as with CPS-selected applications, all other verification requirements, such as deadlines, allowable tolerances, and interim disbursement rules, apply.

Verification tracking groups

Students who are selected for verification will be placed in one of the following groups to determine which FAFSA information must be verified.

V1—Standard Verification Group. Students in this group must verify the following if they are tax filers:

- adjusted gross income
- U.S. income tax paid
- untaxed portions of IRA distributions
- untaxed portions of pensions
- IRA deductions and payments
- tax-exempt interest income
- education credits
- household size
- number in college

Students who are not tax filers must verify the following:

- income earned from work
- household size
- number in college

V2—Reserved for future use by the Department.

V3—Reserved for future use by the Department.

V4—Custom Verification Group. Students must verify high school completion status and identity/statement of educational purpose.

V5—Aggregate Verification Group. Students must verify high school completion status and identity/statement of educational purpose (SEP) in addition to the items in the Standard Verification Group.

V6—Reserved for future use by the Department.

Reporting results for groups V4 and V5

You must report the verification results of identity and high school (HS) completion status for any student for whom you receive an ISIR with tracking flag V4 or V5—as selected by the CPS, not your school—and request verification documentation. You report this information on the FAA Access to CPS Online website: select the Identity Verification Results option from the main menu, enter your school identifiers, the year, and the student identifiers. You will then enter one of the following numeric codes that most applies:

- 1—Verification completed in person, no issues found.
- 2—Verification completed using notary, no issues found.
- 3—Verification attempted, issues found with identity. (You received acceptable documentation of high school completion, but you did not receive the SEP or documentation of identity or the latter was unacceptable.)
- 4—Verification attempted, issues found with HS completion. (You received the SEP and acceptable documentation of identity, but you didn't get HS completion documentation or it was unacceptable.)
- 5—No response from applicant or unable to locate.
- 6—Verification attempted, issues found with both identity and HS completion.

You should report results within 60 days following your first request for verification documentation. If there is a change in a result you have already submitted, you can submit the new code using the above process, and you should make that change within 30 days. For more information, see the [November 18, 2016, electronic announcement](#).

Because the FAA Access website does not store a list of these verification results for you to retrieve, we recommend you print and keep the confirmation page for your records. Instead of using this individual method, you can submit verification results by uploading a flat file with the data for up to 2,000 students.

Verification exclusions

There are times when you don't need to verify a student's application. **Except in the case of the student's death, however—or post-enrollment situations where the student also does not intend to reenroll—none of**

Online verification assessment module

<https://ifap.ed.gov/qahome/qaassessments/fsaverification.html>

Verification questions/answers

The Department has a list of questions and answers about verification online. See www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html.

Verification following disasters

Dear Colleague Letter [GEN-17-08](#) gives general guidance for when federally-declared disasters affect the awarding of aid. The DCL states that the Secretary will not enforce the verification requirements during the award year for applicants whose records were lost or destroyed because of a disaster as long as the school has tried to preserve and reconstruct any records. The school must document when it does not perform verification for this reason and use status code "S" when reporting the disbursement of Pell Grants to affected students. Also, the requirement for dependent students to submit a statement signed by a parent regarding household size and number in college is waived if the parents cannot provide the signature due to the disaster. The school must note why no parent was able to provide the statement.

Note that the relief described in the DCL and its attachment applies specifically to disasters and is separate from relief provided under the Higher Education Relief Opportunities for Students (HE-ROES) Act, which is cited in the margin on the next page.

Verification exclusions

34 CFR 668.54(b)

HEROES Act modifications

The HEROES Act allows the Secretary to modify or waive some statutory and regulatory requirements for those who:

- are serving on active duty or performing qualifying National Guard duty during a war, other military operation, or national emergency;
- reside or are employed in an area declared a disaster by a federal, state, or local official in connection with a national emergency; or
- suffered economic hardship as a direct result of a war, other military operation, or national emergency, as determined by the Secretary.

Read the [electronic announcement](#), and read the [Federal Register notice](#) for the waivers and modifications, which are due to expire on September 30, 2022.

the exemptions excuse you from the requirement to resolve conflicting information (see Chapter 5). You should document the basis for an exclusion. Other information not excluded must still be verified according to all other requirements. You don't have to verify FAFSA information of a student in the following situations:

- Death of the student. You don't have to continue verification if you made an interim disbursement and the student died before verification was completed. You cannot make any additional disbursements, except for FWS funds already earned, to any of the student's beneficiaries. You cannot originate or disburse his Direct Subsidized Loan or consider any interim disbursement you made of Pell, Perkins, or FSEOG funds or provisional FWS employment to be an overpayment. See *Chapter 2 of Volume 5*.
- Not an aid recipient. The student won't receive Title IV aid for reasons other than a failure to complete verification. This includes being ineligible for that aid and withdrawing without receiving it.
- The applicant is eligible to receive only unsubsidized student financial assistance. However, students selected for V4 or V5 verification should complete it in accord with the answer to DOC-Q18 on the [verification Q and A page](#).
- Applicant verified by another school. The student completed verification for the current award year at another school before transferring. Her FAFSA data must be the same as it was at the previous school, and you must get a letter from that school stating that it verified her application and providing the transaction number of the pertinent valid ISIR.
- Post enrollment. The student was selected for verification **after** ceasing to be enrolled at your school, she does not intend to reenroll for the award year, and no further (including late) disbursements will be made.

Unless you have reason to believe it is inaccurate, you don't have to verify the reported FAFSA information of the parents of a dependent student if any of the following apply (including in cases where there is only one parent):

- Both of the parents are mentally incapacitated.
- Both parents or the custodial parent has died.
- They are residing in a country other than the United States and can't be contacted by normal means.
- They can't be located because the student does not have and cannot get their contact information.

Unless you have reason to believe it is inaccurate, you don't have to verify the reported FAFSA information of the spouse of an independent student if any of the following apply:

- The spouse has died.
- He is mentally incapacitated.

Spouse unavailable example

Ursula is attending Lem Community College, and her application is selected for verification. She provided her husband's information on the application but now explains that her husband has recently moved out, and she can't locate him. Ursula also gives Lem some documents to show that she's tried to locate her husband. Lem determines that Ursula doesn't need to provide verification of her husband's tax and income information, but she still needs to verify her own information.

- He is residing in a country other than the United States and can't be contacted by normal means.
- He can't be located because the student does not have and cannot get his contact information.

DOCUMENTATION

The documentation you will need for verification varies according to the item verified, as explained in this section. The Department encourages students and parents to use the IRS Data Retrieval Tool (DRT) to import data from their tax return and not change it. It is the fastest, easiest, and most secure method of meeting verification requirements. Also, this chapter includes suggested text developed by the Department, which you can use to create an institutional verification document if you choose and to verify non-tax items, such as household size and number in college. The text is also available on the IFAP website at <https://ifap.ed.gov>.

If you use a verification document, be sure that it is signed, that all required sections are completed, and that any relevant tax or alternative documents are attached. Copies are acceptable, and unless specifically noted in this chapter, a signature on a copy is as valid as an original signature (i.e., a handwritten or “wet” signature). In the limited circumstances when a tax return copy is acceptable, if it is unsigned the filer (or at least one of the filers of a joint return) must sign it or the tax preparer must provide his name and SSN, EIN, or PTIN.

The chart below shows the tax form line numbers for the most commonly reported items. This chart is a reference only; it is not a list of all the items the school must check on a tax return.

AGI, taxes paid, and other tax data

As already noted, the importation of IRS tax data via the DRT is the best way to document that information. Students and parents do this either when initially filling out the FAFSA on the Web (FOTW or fafsa.gov) application or later as a correction. For the retrieved data to be acceptable documentation of tax data, it is necessary that neither students nor parents change the data after it is transferred from the IRS—if the data was changed or if you have

Acceptable documentation

The documentation required for verifying 2018–2019 application data is given in the *Federal Register* published on May 5, 2017. See also [DCL GEN-17-05](#) for guidance about verifiable information for 2018–2019.

AGI and income tax documentation

34 CFR 668.57(a)

DRT items

The following items are imported from IRS forms 1040, 1040A, and 1040EZ to a student's FAFSA via the DRT:

- type of tax return filed
- filing status
- adjusted gross income
- taxes paid
- income earned from work
- exemptions

In addition, the following are also imported from the 1040 and 1040A forms but not the 1040EZ:

- education credits
- IRA deductions
- tax-exempt interest income
- untaxed IRA distributions
- untaxed pensions

Line items from the 2016 tax return			
	1040	1040A	1040EZ
AGI	37	21	4
Income Tax Paid	56 minus 46	28 minus 36	10
Deductible IRA/SEP	28 plus 32	17	
Tax-exempt Interest Income	8b	8b	
Untaxed Portions of IRAs and Pensions (excluding rollovers)	15a minus 15b and 16a minus 16b	11a minus 11b and 12a minus 12b	

Requesting a tax transcript

There are a few ways to request a tax return transcript: online at www.irs.gov, by calling 1-800-908-9946, or by mailing or faxing the paper Form 4506T-EZ, which can be printed out from the IRS website. To order a fiscal year tax transcript for verification, Form 4506-T must be used rather than Form 4506T-EZ. Phone requests are via an automated process instead of an IRS representative. With online requests, tax filers can get an electronic transcript (see below) or they can have the IRS mail them a paper transcript, which is how non-online requests are handled. Only filers who submit a paper 4506-T or 4506T-EZ can choose to have the transcript mailed to a third party. Schools can accept and copy transcripts originally obtained from the IRS.

The Get Transcript Online feature allows users to get the transcript in real time as a Portable Document Format (PDF) file, which they can submit electronically to a school or print and submit as a hard copy. To use the Get Transcript Online tool, users must have (1) access to a valid email address, (2) a text-enabled mobile phone in their name, and (3) specific financial account numbers, such as a credit card number or an account number for a home mortgage or auto loan. The process will not cause charges to the card or the account. See the [July 26, 2016, announcement](#).

Using third parties to get transcripts

The IRS has developed a special Income Verification Express Service (IVES) that allows a third party to receive a tax filer's transcript. The IVES participant submits a 4506-T or 4506T-EZ form, signed by the tax filer, and receives the transcript from the IRS, which charges a small fee for this service. Schools may use a transcript from an IVES participant (which is not considered a third-party servicer in this instance) for verification as long as they have no reason to question its authenticity. Schools may not, however, pass on the charge for using this service to the student. See [GEN-14-05](#) for more information.

reason to believe the data transferred is incorrect, the student will need to provide a return transcript as explained below. The IRS request field(s) on the ISIR will have a value of "02" when the data is unchanged.

If students cannot or will not use IRS Data Retrieval, either at initial FAFSA filing or through the fafsa.gov correction process, they must document AGI, taxes paid, and untaxed income by providing an IRS tax return transcript for the student and spouse or parents, as applicable. Under the following conditions, the IRS DRT is **not** available on fafsa.gov (all apply to both students and parents unless otherwise noted):

- The person did not indicate on the FAFSA that the tax return has been completed.
- The marriage date is January 2017 or later.
- The first three digits of the SSN are 666.
- The person filed a non-U.S. tax return.
- The person is married and filed the tax return either as head of household or married but filing a separate return.
- Neither married parent entered a valid SSN.
- A non-married parent or both married parents entered all zeroes for the SSN.

Tax transcripts submitted to your school for verification do not need to be signed by the tax filer (but it is encouraged) unless you have reason to doubt their authenticity.

Special situations

■ **Filing extensions.** With the change to prior-prior year tax data, even those who received a tax filing extension will be able to use information from a completed tax return by the time verification is required. Therefore, only students and parents granted an extension beyond the automatic six-month extension may submit the following for verification:

- a copy of IRS Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*,
- a copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2016.
- confirmation of non-filing from the IRS dated on or after October 1, 2017.
- copies of all their W-2 forms (or equivalent), and
- if self-employed, a signed statement with the amounts of their AGI and U.S. income taxes paid.

You may require those with a filing extension to use the DRT or submit to your school a tax transcript after the return has been filed. If you do that, you must reverify the income information. If the student fails to use the DRT or submit a tax transcript, see the guidance on page 94 on failing to complete verification. See DOC-Q16 on the [Q and A page](#).

- **Filers of joint returns who are no longer married.** When dependent students' parents filed a joint return and have separated, divorced, married someone else, or been widowed, the students must submit an IRS tax transcript and a copy of each W-2 form for the parent whose tax information is on the FAFSA. Similarly, an independent student must submit a tax transcript and a copy of each of her W-2 forms if she filed a joint return and is separated, divorced, or a widow.
- **For non-tax filers** you must receive a W-2 form for each source of employment income. You must also get a signed statement giving the sources and amounts of the person's income earned from work not on W-2s and certifying that the person has not filed and is not required to file a tax return. Students may sign on a nonfiling spouse's behalf. For residents of the Freely Associated States (the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia), a copy of the wage and tax statement from each employer and a signed statement identifying all of the person's income for the year is acceptable. Persons from a U.S. territory or commonwealth or a foreign country who are not required to file a tax return can provide the signed statement certifying their income.

You must also require the person (except dependent students) to submit a "Verification of Nonfiling Letter" from the IRS dated on or after October 1, 2017, attesting that she did not file a 2016 IRS income tax return. She can obtain this by submitting IRS Form 4506-T and checking box 7. Persons subject to foreign countries' tax codes would submit a comparable document; see DOC-Q30 on the [verification Q and A webpage](#). Note that verification of nonfiling is not an indication that the person is not required to file a return, just that she did not file one. See Chapter 5 if a person whose financial information was on the FAFSA did not file a tax return when it appears she was required to do so, and see DOC-Q29 on the above webpage about non-tax filers who lack any identifying number (e.g., SSN) needed to get a confirmation of nonfiling from the IRS.

- **For filers of non-IRS tax returns,** you may accept a transcript obtained from a government of a U.S. territory or commonwealth or a foreign nation that includes all of the tax filer's income and tax information required to be verified for tax year 2016. If a free transcript is not available, you may accept instead a copy of the tax return, which must be signed by the filer or one of the filers of a joint return. See DOC-Q28 on the [Q and A page](#) for more information. Use the income and tax information that most closely corresponds to the information on the IRS tax return, and convert monetary amounts into U.S. dollars as appropriate. If you question the accuracy of the information on the signed copy of the return, the filer must provide you with a copy of the tax account information issued by the tax authority.
- **Filers of amended returns.** Students or parents who file an amended return (IRS Form 1040X) can, beginning with the 2018–2019 year, use the IRS DRT, though the ISIR will show an IRS Request Flag value of 07 (see page 15), and because the tax return transcript does not reflect

If a W-2 is not available

If an individual who is required to submit an IRS Form W-2 did not save a copy, she should request a replacement W-2 from the employer who issued the original. A W-2 transcript from the IRS is also acceptable though it generally is not available until the year after the W-2 information is filed with the IRS (e.g. 2018 for 2016 information filed in 2017).

If she is unable to obtain one in a timely manner, you may permit her to provide a signed statement that includes the amount of income earned from work, the source of that income, and the reason why the W-2 is not available in a timely manner.

IRS documentation requests

See the [electronic announcement of February 23, 2017](#), for information about the documents obtained from the IRS that are used for verification: the tax return transcript, record of account, tax account transcript, and the wage and income transcript. The announcement also explains Form 13873, which students or parents might receive when requesting documents from the IRS.

Rollovers and verification

Qualified rollovers from one retirement account to another are not taxable, and they should not be counted as untaxed income (as indicated in *Chapter 2*). Since neither the DRT nor a tax transcript identifies rollovers, you must get documentation from the tax filer. This could be a signed statement with the rollover amount or a notation by the filer on the tax transcript that includes the word "rollover" beside any applicable item, similar to the instruction the IRS gives for Forms 1040 and 1040A. The annotation must be signed and dated by the filer. For those who used the DRT, a signed confirmation that the IRA or pension distribution included a rollover would suffice; a tax transcript would only be needed if other IRS tax information was changed. See VI-Q4 on the [verification Q and A page](#) for more information.

“Per computer” amounts

The tax return transcript may show a per computer amount for some tax data that is different from what the filer reported to the IRS. The per computer amount should be used because it corrects mathematic errors and is more accurate than what appears on the original return or was transferred via the DRT. This guidance still holds, but because the DRT reports per computer values for AGI, income tax paid, and education tax credits, there should not be many discrepancies between DRT data and the transcript. Also, if a transcript indicates “recomputed <tax return item> per computer,” that amount may be ignored for verification.

Other IRS transcripts

Schools may accept for verification any IRS tax transcript that includes all of the necessary information: adjusted gross income, U.S. income tax paid, untaxed IRA distributions, untaxed pensions, education credits, IRA deductions and tax-exempt interest. Because the record of account transcript and the Return Transcript for Taxpayer (RTFTP) include all of the above information, either may be used for verification. The Information Returns Processing Transcript Request—Wages (IRPTR-W) only provides wage information and therefore can only be used in lieu of a W-2 form.

Verification selection and PJ

Once the Department selects a FAFSA for verification, every subsequent transaction for that award year, even one that was the result of professional judgment (PJ), will indicate that the student is selected for verification.

If a FAFSA that is not selected for verification is later corrected, that can result in the application being selected. However, when PJ is used (and coded correctly) to adjust an application that is not selected for verification, the CPS prevents the subsequent transaction from being selected for verification.

changes to the original return by the filer or the IRS, it is by itself not sufficient. Instead, to complete verification you will need a signed copy of the 1040X form that was filed as well as either

- IRS DRT information on an ISIR record with all the information from the original tax return or
- an IRS tax return transcript (which does not have to be signed) or any other IRS transcript that includes all the income and tax information required to be verified.

■ **Victims of identity theft** who cannot get a return transcript or use the DRT submit a Tax Return DataBase View (TRDBV) transcript as well as a statement they have signed and dated indicating that they were victims of tax-related identity theft and that the IRS has been made aware of it. They do this by calling the IRS’s Identity Protection Specialized Unit (IPSU) at 800-908-4490. After the IPSU authenticates the tax filer’s identity, she can ask the IRS to mail her the TRDBV transcript, which is an alternate paper transcript that will look different than a regular transcript but that is official and can be used for verification. Unless you doubt the transcript’s authenticity, you don’t need to get an IRS signature or stamp or any other validation. See [DCL GEN-14-05](#) for a sample TRDBV transcript. Those who cannot obtain a TRDBV transcript may instead submit another official IRS transcript or equivalent IRS document if it includes all of the income and tax information required to be verified.

■ **Students who are eligible for an automatic zero EFC.** A dependent student in this category who is placed in Verification Tracking Group V1 or V5 must verify his parents’ AGI if they were tax filers and their income earned from work if they were non-tax filers. He must also verify high school completion status and identity and sign a statement of educational purpose if in group V5. An independent student must verify

1. his and, if applicable, his spouse’s AGI if they were tax filers;
2. their income earned from work if they were non-tax filers;
3. his high school completion status and identity and sign a statement of educational purpose if in group V5; and
4. the number of household members to determine if the student has any dependents other than a spouse.

All students eligible for an auto zero EFC who are placed in Verification Tracking Group V4 must verify high school completion status and identity and sign a statement of educational purpose.

■ **Using a tax return to complete verification.** When the DRT and return transcript are not available and you must use a tax return for verification, it will likely have been filed electronically with one of a variety of methods. These include do-it-yourself methods as well as completion by a tax preparer. Each method should permit printing of a paper copy of the return, though the e-file format might not contain every line item, showing instead only the data the tax filer provided. For example, if Item 8a, “Taxable interest income,” does not appear on such a return, that means no taxable interest income was reported.

Using a joint return to figure individual AGI and taxes paid

If the filer of a joint return has become widowed, divorced, or separated since filing the return, it may be necessary to determine the individual's income and taxes paid using the joint return and W-2 forms. If a W-2 is not available (the filer is self-employed for example) or if a duplicate copy from the employer who issued the original W-2 is not available in a timely manner, the school may permit the filer to provide a signed statement that certifies the base year AGI and U.S. taxes paid. If he has divorced and married someone new (see the margin note on page 91 if this occurred after completion of the application), then the new spouse's income and assets would also need to be included.

Add the income amounts from the individual's W-2 forms to any other income that can be extracted from the joint return. Any interest or business income earned on joint accounts or investments should be assessed at 50%. The same procedure should be used to divide business or farm losses. Also, if the AGI listed on the joint return was adjusted, you should reduce the individual's AGI by the portion of the adjustment that applies solely to him or her. For example, if an adjustment was made for moving expenses, which applies to the couple jointly, only 50% of the adjustment amount can be applied against the individual's income. An AGI figure can be calculated for the individual filer. A signed statement from the filer certifying that the data from the joint return were accurately assessed is sufficient documentation for this method.

Use one of the following methods to figure the individual's taxes paid:

- **Tax table (preferred method).** Using the IRS Tax Table or Tax Rate Schedule for the appropriate year, calculate the amount of tax that would have been paid if a separate return had been filed. Use the deduction and number of exemptions the individual could have claimed if he or she had filed a separate return. (If itemized deductions were taken, count only the portion of those deductions that could have been claimed on a separate tax return.)
- **Proportional distribution.** Determine what percentage of the joint AGI was attributable to the individual, and then assess the joint taxes paid by that same percentage.

Example 1: Calculating individual AGI from joint return example

Eddy's application is selected for verification. He and his wife filed a joint return for 2016 and have since separated. The AGI on Eddy's FAFSA matches the AGI of \$53,700 on the 2016 tax return, which means it's wrong because it includes his wife's income.

Eddy's W-2 shows that his income for 2016 was \$23,900, and the tax return shows \$400 in interest. Because it was interest on a joint savings account, the aid administrator adds \$200 of it to Eddy's income and submits \$24,100 as the corrected income via FAA Access.

Example 2: Calculating individual taxes paid from a joint return

The aid administrator determines that Eddy's part of the \$53,700 AGI he and his wife reported is \$24,100. Eddy and his wife claimed four exemptions on their tax return (themselves, one child, and Eddy's nephew). Eddy's wife has custody of the child and will claim him as her dependent when she files her tax return for 2016. Eddy's nephew still lives with him. Therefore, Eddy would have had two exemptions (himself and his nephew), totaling \$8,100. In the new situation, Eddy's filing status is "head of household" instead of "married." Therefore, his standard deduction is \$9,300 (instead of the \$12,600 for married filers). Eddy's income of \$24,100 minus the \$8,100 for exemptions and the \$9,300 standard deduction results in \$6,700 in taxable income.

The aid administrator uses the tax table to determine how much tax Eddy would have paid on this amount, taking into account any applicable credits reported on the original return. With a taxable income of \$6,700, the amount of tax paid from the tax schedule would be \$673.

To use the proportional distribution method instead, the aid administrator figures out what percentage of the joint AGI Eddy's income represents. The percentage is 45% (24,100 divided by 53,700 is .4488). The aid administrator then multiplies the income tax paid as reported on the tax return (\$2811 for this example) by this percentage. Therefore, Eddy's income tax paid would be \$1,265 (.45 x \$2811).

Immigrants and tax filing

Immigrants are not exempt from tax filing. The IRS is more concerned whether a person is a resident or nonresident—rather than legal or illegal—alien. An alien is anyone who is not a U.S. citizen or national. A resident alien is one who either is a permanent resident or has resided in the U.S. for a specific minimum amount of time (has met the substantial presence test). All others are nonresident aliens. Resident aliens' income is generally subject to tax in the same manner as U.S. citizens', and they file Forms 1040, 1040A, or 1040EZ. Nonresident aliens who are required to file a return submit Form 1040NR or 1040NR-EZ; both forms are acceptable documentation for verification.

Immigrants who do not have an SSN and are unable to get one can apply with the IRS for an individual taxpayer identification number (ITIN). The ITIN is only for tax purposes. It does not authorize a person to work, endorse his legal status, or entitle him to the earned income credit or Social Security benefits. It is not to be used as an identifier in place of the SSN on the FAFSA.

See the IRS's *Publication 519, U.S. Tax Guide for Aliens* at www.irs.gov for more information.

You can also accept an electronic copy of the return that has been electronically signed, provided your school's process for accepting such signatures complies with the Electronic Signatures in Global and National Commerce (ESIGN) Act. But a signature on Form 8879, the IRS e-file Signature Authorization, is not an acceptable substitute for a signature on the tax return.

For persons who have a tax professional prepare their return, instead of a copy of the return with the filer's signature, you may accept one that has the name and Preparer Tax Identification Number (PTIN) of the preparer or has his SSN or EIN and has been signed, stamped, typed, or printed with his name and address. Note that the IRS requires paid preparers to have a PTIN.

If a person did not retain a copy of her 2016 tax information and it cannot be located by the IRS or the relevant government agency, she must submit a signed statement indicating that she did not keep a copy of her tax information as well as documentation from the taxing authority indicating that that information cannot be located. Also, you must accept for an IRS filer either a copy of Form W-2 for each source of employment income received for 2016 or, if she is self-employed, a signed statement certifying the amount of AGI and taxes paid. For someone who filed an income tax return with a government of a U.S. territory or commonwealth or a foreign central government, accept a copy of a wage and tax statement or a signed statement certifying the amount of AGI and taxes paid for 2016.

Household size

To document the household size, the student needs to provide a statement signed by him and, if dependent, at least one parent that gives the name, age, and relationship to the student of each person in the household.

You don't have to verify household size in the following situations:

- For a dependent student, the household size reported is two with a single, divorced, separated, or widowed parent or is three with parents who are married or are unmarried and living together.
- For an independent student, the number reported is two if he is married or one if he is single, divorced, separated, or widowed.

Keep in mind that household size needs to align with the answers to the relevant dependency status questions, such as the one about having dependents other than a spouse. If verification reveals that answers do not match, the FAFSA needs to be corrected so that they do.

Household size documentation

34 CFR 668.57(b)

Number in college documentation

34 CFR 668.57(c)

Number in college

You can document this item with a statement signed by the student (and, if she is dependent, at least one parent) that gives the name and age of each person in the household (excluding the parents of a dependent student) who is enrolled at least half time in a degree or certificate program at an eligible college. The statement must also give the name of each college, and it can be

written to document household size as well. Completion of the Department's verification suggested text can satisfy both items.

If you have reason to doubt the enrollment information reported, you must obtain from each school a statement that the named person will attend there on at least a half-time basis. You don't have to get such a statement if the person has not yet registered, is attending less than half time, or will be attending your school.

If you have reason to doubt whether a reported school is Title IV eligible, you must insure it is, such as by checking to see if it has a federal school code.

You don't have to verify the number in college if the reported number enrolled is one (the student only).

High school completion

Students must provide one of the following documents that indicate their high school completion status at the beginning of the 2018–2019 year:

- A copy of a high school diploma.
- A copy of a final, official high school transcript that shows the date when the diploma was awarded.
- A copy of the “secondary school leaving certificate” or similar document from the proper government agency for students who completed secondary school in a foreign country. If your college doesn't have the expertise to evaluate foreign secondary school credentials or chooses not to do so, there are evaluation services available.
- A copy of a General Educational Development (GED) certificate or GED transcript that indicates the student passed the exam.
- Certification of a passing score on a test that the student's state authorizes and recognizes as the equivalent of a high school diploma. This includes tests similar to the GED, such as the High School Equivalency Test or the Test Assessing Secondary Completion. Test transcripts are acceptable documentation if they indicate that the final score is a passing score or that the student's state considers the test results to meet its high school equivalency requirements.
- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree at any participating school. You do not have to collect proof of high school status for graduate students if admission into their program required the completion of at least two years of undergraduate coursework.
- For a student who has not completed high school and is seeking enrollment in a program that leads to at least an associate degree or its equivalent, documentation from the high school that he excelled academically and from your school that he meets your written policy for admitting such students. This should be a rare occurrence.
- For homeschooled students, a copy of a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent) if state law requires homeschooled

Refugees and HS completion

In rare instances when a refugee, asylee, or victim of human trafficking cannot obtain documentation of high school completion from her home country, a school may accept self-certification in accordance with the guidance of Q & A FHD-Q2/A2 at

www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html.

ATB alternatives for high school completion

Legislation in 2014 and 2015 provided ability-to-benefit (ATB) alternatives to a high school diploma for students enrolled in a career pathway program on or after July 1, 2014. See [DCL GEN-16-09](#) for more information, including a definition of career pathway program and a list of Q's and A's.

Students who were enrolled in a Title IV program prior to July 1, 2012, and were eligible for aid under the old ATB provisions retain their eligibility regardless of whether they are in a career pathway program. See GEN-12-09 regarding the grandfathered ATB provisions, and see the announcement of June 24, 2015, for a current list of approved ATB tests.

For students who establish Title IV eligibility under an ATB alternative, your school should have already obtained or be in the process of obtaining documentation necessary to support his eligibility. Therefore, no further high school completion documentation should be needed from the student.

Timing of signature

Any required signatures, such as signatures on worksheets or on copies of tax returns, must be collected at the time of verification—they can't be collected after the verification deadline for that award year.

Electronic signatures

For verification documentation, a school may collect an electronic signature for an applicant, parent, or spouse if the process includes an assurance of the identity of the person signing. This is often accomplished with a PIN or password that is assigned only after the identity of the person receiving the PIN or password has been authenticated.

V4 and V5 reporting

As explained on page 81, schools are required to report through FAA Access Online the outcomes of verifying high school completion status and identity/statement of educational purpose for applications with tracking flags V4 and V5.

* The ID just needs to be unexpired at the time it is checked. For proving identity, it does not matter if the ID is due to expire during the award year.

** The school may determine which of its staff are authorized to review an applicant's identity. We do recommend that the person(s) be full-time staff and that the school keep a record of who they are.

students to get that credential. If it is not required, a transcript or the equivalent signed by the parent or guardian that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.

- For students in an “eligible career pathway program,” documentation that they passed an approved ATB test or completed at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by your school. See the margin note.

If your school has already received one of these documents as part of the admission process, you do not need to ask for another. If you successfully verified a student's high school completion in a prior year, you do not need to do it again. Some schools collect seventh semester high school transcripts prior to students receiving an actual diploma, or they collect high school transcripts for some but not all of their students because they may have special programs that admit students without a high school diploma. In both cases, schools must collect separate documentation that shows the date when the diploma was awarded.

When documentation of high school completion is unavailable—e.g., the school is closed and no information is available from another source such as the school district or state department of education, or the parent or guardian who homeschooled the student is deceased—you may accept alternative documentation, such as a military *DD Form 214 Certificate of Release or Discharge from Active Duty* that indicates that the student is a high school graduate or equivalent. However, a student's self-certification is not acceptable except in rare instances for refugees, asylees, and victims of human trafficking, as explained in the margin note on page 89.

Identity and statement of educational purpose

Students should appear in person at your school and present a valid, unexpired,* government-issued photo identification (ID) such as a passport or a driver's license or other state-issued ID. You must maintain an annotated copy of that ID that includes the date it was received and the name of the person your school authorized to receive it.** Note that an ID issued by a state university or college is not sufficient for this purpose.

Students must also sign a statement of educational purpose that certifies who they are and that the federal student aid they may receive will only be used for educational purposes and for the cost of attending the school for the 2018–2019 year. Unlike the other text at the end of the chapter, the text for this statement is not suggested—you **must use the exact language given** (the student's identification number is optional though if collected elsewhere on the same page as the statement). After examining the statement, you may convert it into an electronic record. You must keep that or the original for at least the required Title IV record retention period.

A student who is unable to appear at your school must go to a notary public and sign the statement of educational purpose. He must then submit to your office that statement, a certification from the notary that he appeared before her and presented a government-issued photo ID confirming his identity, and a copy of the same ID.

UPDATING INFORMATION

Generally, a student cannot update information that was correct as of the date the application was signed because the FAFSA is considered to be a “snapshot” of the family’s financial situation as of that date. For example, if the student’s family sold some stock after she signed the FAFSA and spent the money on a non-reported asset such as a car, she can’t update her information to show a change in assets. After the FAFSA is signed, only certain items can be updated under the following conditions:

1. **All applicants whose dependency status changes** must update that and the related FAFSA information throughout the award year except when the update is due to the student’s marital status changing.
2. **All applicants selected by the Department or a school for verification of household size or number in college** must update those numbers to be correct as of the date of verification unless the update is due to a change in the student’s marital status. Documenting household size or number in college is not required in a subsequent verification in the same year if the information has not changed.

At your discretion you may update under either 1 or 2 even when the update is due to a change in the student’s marital status if you deem it necessary to address an inequity or to reflect more accurately the applicant’s ability to pay. Such a decision must be on a case-by-case basis, and you must document your reasons for it. You must also update all other pertinent information, such as spousal income and taxes paid, to be consistent with the new marital status. If you change the status of an applicant to unmarried and that makes him dependent (because he was independent only due to marriage), his FAFSA must be updated with his parents’ information. Your school may have a policy of not considering such updates after a specific census date.

Note, however, that you cannot update the marital status of an already independent student whose dependency status has not changed because of her marriage or divorce and who was not selected for verification. In such a case you must select the student for verification if you want to exercise your discretion to update her marital status and all other associated information.

CORRECTING ERRORS

As explained in the last section, you only make updates in specified situations, but for students who are not selected for verification, you or they must correct and submit for processing any errors reported on the original FAFSA that would change the EFC or that determine the students’ eligibility for aid.

For students who are selected for verification and receiving subsidized student aid, changes that result to any non-dollar item and to any dollar item of \$25 or more must be submitted for processing. See the section on changes in a selected applicant’s FAFSA.

INTERIM DISBURSEMENTS

Interim disbursements are allowed either prior to completing verification or after verification but before receiving the corrected SAR or ISIR. If you

Updating information

34 CFR 668.55

REAL ID Act of 2005

The REAL ID Act affects people entering certain restricted areas where identification is required: federal facilities, nuclear power plants, and federally regulated commercial airplanes. Because there are currently no restrictions under the act on agencies accepting an ID that is not compliant with the act (typically one marked “not for federal identification”) for other purposes, such an ID is acceptable for verification of identity/state-ment of educational purpose. It must be a government-issued ID that has not expired and includes the student’s photo and name.

Online notary services

Currently the Department does not authorize the use of online notary services as an alternative to traditional, in-person notary services.

Parent remarriage after applying

While the applicant does not typically update household size or number in college because of a change in his marital status, if he is a dependent student and his parent remarries between application and verification, he must update household size to include the new step-parent. However, the student would not count the new stepparent’s income and assets. A school can use professional judgment to include the stepparent’s income or to otherwise account for the change.

HEA Sec. 475(f)(3)

34 CFR 668.55(b)

Interim disbursements

34 CFR 668.58

have no reason to question the accuracy of the information on the FAFSA, prior to completing verification you may at your discretion

1. make one disbursement of Pell, Perkins, and FSEOG funds for the applicant's first payment period,
2. permit FWS employment for the first 60 consecutive days after the student enrolls for the award year, or
3. originate but not disburse a Direct Subsidized Loan.

If verification results in changes to the FAFSA information that you determine will not alter award amounts, you may at your discretion take actions 1–3 as well as disburse a Direct Subsidized Loan prior to receiving the corrected valid SAR or ISIR.

Schools that can't make interim disbursements

Schools on the Heightened Cash Monitoring 2 (HCM2) and Reimbursement payment methods (see *Volume 4*) must, as part of their request for Title IV funds from the Department, submit documentation showing that students were eligible to receive the funds disbursed to them (and for which the schools are seeking reimbursement). Because final determination of student eligibility includes completing verification, HCM2 and reimbursement schools are not able to make interim disbursements.

Overpayments from interim disbursements

If prior to verification you make an interim disbursement of Pell, Perkins, or FSEOG funds, your school is liable for any overpayment that results. If you can't eliminate it by reducing subsequent disbursements or having the student return the money, your school must use its own funds to reimburse the appropriate program by the earlier of 60 days after the student's last day of attendance or the last day of the award year.

Recovery of funds from interim disbursements

34 CFR 668.61

If prior to verification your school permits provisional FWS employment of students for up to 60 days, it is liable for any overpayment it can't recover by adjusting other aid, and it must reimburse the FWS account from its own funds. Students must be paid for all work performed out of your school's payroll account—they can't be required to repay FWS wages earned except when they are proven guilty of fraud.

Delaying disbursements

When schools choose to verify an item other than those the Department selects, they may delay disbursing Title IV aid until verification is completed if the school-selected item can affect the student's Title IV eligibility, such as an item about dependency status. But schools cannot delay disbursing when the item has no bearing on Title IV aid, for example, if the school is verifying home equity to determine student eligibility for its own or state aid.

If you make an interim disbursement after completing verification but prior to receiving a correct valid SAR or ISIR, and you fail to receive the SAR or ISIR within the deadlines discussed later in this chapter, your school must use its own funds to reimburse the appropriate program and ensure that the student is paid under its own payroll account for all work performed.

CHANGES IN A SELECTED APPLICANT'S FAFSA

To receive subsidized student aid, students or the school must submit for processing any changes resulting from verification to a non-dollar item or a single dollar item of \$25 or more. Also, if you are required to submit *any* change through CPS because of verification, you must submit *all* changes, including amounts that are below \$25.

Campus-Based and DL changes

When students receive subsidized student aid other than Pell Grants and there is a change, adjust the package on the basis of the EFC on the corrected valid SAR or ISIR. If there was an interim disbursement, comply with the relevant rules if the package must be reduced. If there was a regular disbursement and the package must be reduced, comply with Perkins or FSEOG overpayment rules or with the rules for dealing with excess loan proceeds for Direct Subsidized Loans.

Changes to FAFSA information

34 CFR 668.59

When there is an overaward from a regular disbursement, the following individual program regulations apply:

Pell Grants: 34 CFR 690.80

Perkins and FSEOG: 34 CFR 673.5(f)

Subsidized DL: 34 CFR 685.303(e)

Pell changes

When the data on the FAFSA change, recalculate the student's Pell Grant on the basis of the EFC on the corrected valid SAR or ISIR. You can only pay an increased Pell Grant if you have that output document and it supports an increased Pell award.

If the Pell Grant is reduced and the student received an interim disbursement, adjust following disbursements as necessary. Failing that, the student should reimburse the Pell Grant Program, or, if he does not return the overpayment, your school must reimburse the Pell program with its funds. If the student received Pell Grant money as a regular disbursement, he is responsible for repaying the overpayment. See *Volume 5, Chapter 1* of the Handbook for information on overpayments.

Selection after disbursement

A student's application might be selected for verification after corrections are submitted and the student has been paid based on the previous unselected CPS transaction. You must verify his application before making further disbursements. If verification does not justify aid already disbursed, then the student is responsible for repaying all aid for which he is not eligible, though he may keep any Direct Loan money he received and FWS wages he earned. See page 94 for what happens if he fails to complete verification.

After documentation is complete

When you've obtained all necessary verification documents from the student, you should compare them to the SAR or ISIR you are reviewing for payment. If all the student's information is correct and there are no outstanding issues or conflicting information, you may award and disburse aid for which the student is eligible.

HOW TO SUBMIT CORRECTIONS AND UPDATES

Corrections and updates can be submitted by the student on the SAR or the Web or by the school using FAA Access to CPS Online or the Electronic Data Exchange (EDE). In addition to the following information, see also "Corrections and Updates" in the 2018–2019 *ISIR Guide*.

Using fafsa.gov

Any student who has an FSA ID—regardless of how he originally applied—may correct any of his own data by using FAFSA on the Web at <https://fafsa.ed.gov>. If dependent students need to change parental data, a parent must either sign electronically with her own FSA ID or print out and sign a signature page.

Submitting changes via FAA Access to CPS Online or EDE

Your school can submit corrections and updates electronically through FAA Access to CPS Online or EDE even if the original application wasn't submitted with that method. If your school isn't listed on the transaction you want to correct, the student will have to give you the DRN printed on the SAR or SAR Acknowledgement so that you can add your school in the next available institution field and then get electronic access to the resulting corrected transaction. If all the fields are filled, the student will have to tell you which school to replace with yours.

Disbursing unsubsidized aid

For students who are selected for Verification Group V1, a school may, on a case-by-case basis and with proper documentation, disburse Direct Unsubsidized and PLUS loans prior to completing verification when completion will be delayed and the student is eligible for both subsidized and unsubsidized aid. To avoid exceeding the student's financial need, the school must consider the subsidized aid she will receive and adjust the aid amounts after verification if necessary.

If the student never completes V1 verification, the Direct Unsubsidized and PLUS loan aid that was disbursed may be kept. If it's determined that the student was ineligible when she received aid, see the relevant guidance on returning aid in such situations in *Volume 4, Chapter 3*, of the Handbook.

Example: selection after disbursement

Owen is attending Guerrero University. His application isn't selected for verification, and he receives aid in the fall. In December, Owen submits a correction on his SAR that causes the ensuing transaction to be selected for verification. The aid administrator at Guerrero tells Owen he needs to submit verification documents if he wants his aid for the spring and if he wants to keep the Pell funds he received for the fall, but Owen doesn't turn in the documents. Owen doesn't have to repay the Stafford loan he got in the fall, but he does have to return the Pell Grant, and Guerrero must cancel his aid package for the spring.

Making corrections and updates

FAFSA on the Web
<https://fafsa.ed.gov/>

FAA Access to CPS Online
<https://faaaccess.ed.gov/>
 or via EDE
 by the school aid office

Student aid report
 paper corrections sent by mail

By phone
 Change schools listed or student
 address (DRN required)
 Federal Student Aid Information
 Center (FSAIC)
 1-800-4-FED-AID (1-800-433-3243)

If you send a correction or update for a student, you must first have signed documentation from the student and parent. This can be signatures on Part 2 of the SAR, a signed copy of the correction or update, or a signed verification document. Unlike those for the original application, these do not have to be wet signatures. See *Chapter 2* for more on signature requirements.

The CPS will process the change, send an ISIR to the school, and send the student a one-page SAR acknowledgement or, if the CPS has her email address, an email with a link to her SAR information on the Web.

Using the Student Aid Report (SAR) to make corrections

Students who received a paper SAR may make corrections or updates on it, then sign and return it to the FAFSA processor at the address given at the end of the SAR (of course, students with FSA IDs can instead use fafsa.gov). One parent must also sign if the student is dependent and parent data was changed, unless the only corrections are to the institution or housing codes, the address, or telephone number.

If the student applied electronically through a school or received an email link to SAR information on the Web but would like to make corrections with a paper SAR, she can have one mailed to her by calling the FSAIC at 1-800-433-3243 and providing her name, SSN, and date of birth.

Corrections by phone limited to processor errors

As we've discussed, a student with a DRN can change his address and school listings by calling the Federal Student Aid Information Center.

Most other corrections can't be made over the phone—they have to be done on the SAR or through fafsa.gov or FAA Access. There is only one exception, and that's when the information the student submitted on a paper FAFSA or SAR was not scanned or input correctly.

If a student contacts the FSAIC and an operator can verify by viewing the image file of the document that an answer to an item was not correctly recorded by the FAFSA processor, the operator can correct that error.

The correction will be transmitted to the CPS, a corrected ISIR will be available to the student's schools within 72 hours, and he will receive a corrected SAR in the mail within 10 days. The student doesn't have to sign for this correction because he has already signed the original paper document that has the correct information.

Adding schools and changing a student's address

As with other changes, a student can add schools or change her address, email address, or telephone number online or on a paper SAR. But she can also update these items over the phone by calling 1-800-4-FED-AID and providing her DRN. You can submit those changes for her through FAA Access, although, as noted before, if your school was not listed on the student's application, you will need her DRN to add your school.

The FAFSA has limited space for a student to list schools that will receive the application data: four schools can appear on the paper application, 10 with either FAFSA on the Web, FAA Access, or EDE. If the student wants information sent to more schools, he can use any of the methods listed previously to replace some or all of the original schools, though the replaced schools will not receive an ISIR. For example, if the student originally listed 10 schools on the application and then used fafsa.gov to replace two schools with two new ones, those that were replaced would not receive an ISIR from this correction or any subsequent correction on which they did not appear.

DEADLINES AND FAILURE TO SUBMIT DOCUMENTATION

You must require students selected for verification—whether by your school or by the Department—to submit to you the documentation by the date specified by your school (for Campus-Based and DL) or the Department (for Pell).

Campus-Based and DL

If a student doesn't provide verification documentation within a reasonable time period that your school has established, you cannot

- disburse more Perkins or FSEOG funds,

- employ or permit further FWS employment, or
- originate or disburse any additional Direct Subsidized Loans.

Additionally, the student must repay any Perkins or FSEOG funds she received that year.

If she fails to complete verification within the time period established by your school and if you received any Direct Subsidized Loan funds for the student that you did not disburse, you must return some or all of those funds under the excess cash tolerance regulation [see 34 CFR 668.166(b) and *Volume 4, Chapter 2*].

Notwithstanding this, if the student provides the documentation after your school's deadline, you may, at your discretion, still provide aid.

Pell Grants

A student selected for verification may submit a valid SAR or a school can receive a valid ISIR after the Pell deadline but before the verification deadline published in the *Federal Register*. If a student does not provide the verification documentation or you do not receive the valid SAR or ISIR (if necessary) within this additional time, he forfeits his Pell Grant for the award year and must return any Pell money already received for that year.

Other considerations

The Department may determine not to process the FAFSA of an applicant who has been requested to provide documentation until he does so or the Department decides there is no longer a need for it.

A Pell applicant selected for verification must complete the process by the deadline published in the *Federal Register*. The [notice for 2017–2018](#) was published on June 27, 2017, and the deadline for that year is September 22, 2018, or 120 days after the last day of the student's enrollment, whichever is earlier. When the notice for 2018–2019 is published, the corresponding deadline date is expected to be September 21, 2019. Campus-Based and Stafford Loan applicants must complete verification by the same deadline or by an earlier one established by your aid office.

Verification is complete when you have all the requested documentation and a valid ISIR or SAR (one on which all the information is accurate and complete). This includes any necessary corrections, which must be made by the *Federal Register* deadlines for submitting paper or electronic corrections.

Late disbursements

Generally a student ceases to be eligible for aid once he has finished the term and is no longer enrolled. However, he may submit verification documentation and receive a late disbursement after that time if the Department processed a SAR or ISIR with an official EFC while he was still enrolled. For information on *post-withdrawal* disbursements, see *Volume 5*.

Verification status codes

When you disburse a Pell Grant, you must report the student's verification status through Common Origination and Disbursement (COD) even if he wasn't selected for verification.

Failure to submit documentation

34 CFR Pell Grants 668.60(c)

34 CFR Campus-Based/DL 668.60(b)

Verification completed within additional time period for Pell

34 CFR 668.60(c)(1)

Late disbursements

34 CFR 668.164(g)

Further verification?

Sometimes schools ask if further verification is needed to resolve discrepancies between the ISIR and what the student provided for verification. The answer is no, unless you have reason to doubt the accuracy of the verification information. Acceptable documentation either confirms that an item was right on the ISIR, or it is used to correct that item. That is the purpose of verification; continued fact-finding is not necessary.

V—You have verified the student. This includes students selected by the CPS and those your school chose to verify based on its own criteria.

W—The student was selected for verification by the CPS or your school, and you chose to pay a first disbursement of Pell without documentation. **This code must be updated once verification is complete, or COD will reduce the Pell Grant to zero.**

S—The CPS selected the student for verification, but you did not verify him because he satisfied one of the exclusions described earlier in the chapter (except the post-enrollment exclusion; see “Blank” next).

Blank—Report a blank if you have not performed verification because neither the CPS nor your school selected the student or because the student was selected by the CPS after ceasing to be enrolled at your school and all (including late) disbursements were made.

SUGGESTED VERIFICATION TEXT

We are providing suggested text for the 2018–2019 verification items that were identified in the May 5, 2017, *Federal Register* notice and in Dear Colleague Letter GEN-17-05. This suggested text fulfills verification requirements, but schools do not have to use it, except as noted below. Instead, they may develop and use their own (or someone else’s) text, forms, documents, statements, and certifications that are specific to the items required to be verified for a particular student or group of students. However, schools must not put the seal of the Department of Education on any verification documents.

The one exception is that schools must use the exact language provided in the “Statement of Educational Purpose” for students who are placed in verification tracking groups V4 or V5. This does not include the accompanying notary’s certificate of acknowledgment; for that the school may use some other form, such as the one its state uses.

For more information, including copies of the suggested text, see the [electronic announcement of August 16, 2017](#), on the IFAP website.

2018–2019 Suggested Verification Text

Verification of 2016 Income Information for Student Tax Filers

Important Note: The instructions below apply to the student and spouse, if the student is married. Notify the financial aid office if the student or spouse filed separate IRS income tax returns for 2016 or had a change in marital status after December 31, 2016.

Instructions: Complete this section if the student and spouse filed or will file a 2016 IRS income tax return(s). *The best way to verify income is by using the IRS Data Retrieval Tool (IRS DRT) that is part of FAFSA on the Web at FAFSA.gov.* In most cases, no further documentation is needed to verify 2016 income information that was transferred into the student's FAFSA using the IRS DRT if that information was not changed by the FAFSA filer.

Check the box that applies:

- ☐ The student has used the IRS DRT in *FAFSA on the Web* to transfer 2016 IRS income tax return information into the student's FAFSA.
- ☐ The student has not yet used the IRS DRT in *FAFSA on the Web*, but will use the tool to transfer 2016 IRS income tax return information into the student's FAFSA.
- ☐ The student is unable or chooses not to use the IRS DRT in *FAFSA on the Web*, and instead will provide the school with a **2016 IRS Tax Return Transcript(s)**.

A **2016 IRS Tax Return Transcript** may be obtained through:

- Get Transcript by MAIL – Go to www.irs.gov, under the Tools heading, click "Get a tax transcript." Click "Get Transcript by MAIL." Make sure to request the "IRS Tax Return Transcript" and **NOT** the "IRS Tax Account Transcript." The transcript is generally received within 10 business days from the IRS's receipt of the online request.
- Get Transcript ONLINE – Go to www.irs.gov, under the Tools heading, click "Get a tax transcript." Click "Get Transcript ONLINE." Make sure to request the "IRS Tax Return Transcript" and **NOT** the "IRS Tax Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-EZ or IRS Form 4506-T. The transcript is generally received within 10 business days from the IRS's receipt of the paper request form.

If the student and spouse filed separate 2016 IRS income tax returns, the IRS DRT cannot be used and the **2016 IRS Tax Return Transcript(s)** must be provided for each.

_____ Check here if a **2016 IRS Tax Return Transcript(s)** is provided.

_____ Check here if a **2016 IRS Tax Return Transcript(s)** will be provided later.

2018–2019 Suggested Verification Text

Verification of 2016 Income Information for Parent Tax Filers

Important Note: The instructions below apply to each parent included in the household. Notify the financial aid office if the parents filed separate IRS income tax returns for 2016 or had a change in marital status after December 31, 2016.

Instructions: Complete this section if the parents filed or will file a 2016 IRS income tax return(s). *The best way to verify income is by using the IRS Data Retrieval Tool (IRS DRT) that is part of FAFSA on the Web at FAFSA.gov.* In most cases, no further documentation is needed to verify 2016 income information that was transferred into the student's FAFSA using the IRS DRT if that information was not changed by the FAFSA filer.

Check the box that applies:

- ☐ The parents have used the IRS DRT in *FAFSA on the Web* to transfer 2016 IRS income tax return information into the student's FAFSA.
- ☐ The parents have not yet used the IRS DRT in *FAFSA on the Web*, but will use the tool to transfer 2016 IRS income tax return information into the student's FAFSA.
- ☐ The parents are unable or choose not to use the IRS DRT in *FAFSA on the Web*, and instead will provide the school with a **2016 IRS Tax Return Transcript(s)**.

A **2016 IRS Tax Return Transcript** may be obtained through:

- Get Transcript by MAIL – Go to www.irs.gov, under the Tools heading, click "Get a tax transcript." Click "Get Transcript by MAIL." Make sure to request the "IRS Tax Return Transcript" and **NOT** the "IRS Tax Account Transcript." The transcript is generally received within 10 business days from the IRS's receipt of the online request.
- Get Transcript ONLINE – Go to www.irs.gov, under the Tools heading, click "Get a tax transcript." Click "Get Transcript ONLINE." Make sure to request the "IRS Tax Return Transcript" and **NOT** the "IRS Tax Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-EZ or IRS Form 4506-T. The transcript is generally received within 10 business days from the IRS's receipt of the paper request form.

If the parents filed separate 2016 IRS income tax returns, the IRS DRT cannot be used and the **2016 IRS Tax Return Transcript(s)** must be provided for each.

_____ Check here if a **2016 IRS Tax Return Transcript(s)** is provided.

_____ Check here if a **2016 IRS Tax Return Transcript(s)** will be provided later.

2018–2019 Suggested Verification Text

Verification of 2016 Income Information for Individuals with Unusual Circumstances Individuals Granted a Filing Extension by the IRS

An individual who is required to file a 2016 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2016, must provide:

- A copy of IRS Form 4868, “Application for Automatic Extension of Time to File U.S. Individual Income Tax Return,” that was filed with the IRS for tax year 2016;
- A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2016;
- Verification of Non-filing Letter (confirmation that the tax return has not yet been filed) from the IRS or other relevant tax authority dated on or after October 1, 2017;
- A copy of IRS Form W–2 for each source of employment income received or an equivalent document for tax year 2016 and,
- If self-employed, a signed statement certifying the amount of the individual's Adjusted Gross Income (AGI) and the U.S. income tax paid for tax year 2016.

Individuals Who Filed an Amended IRS Income Tax Return

An individual who filed an amended IRS income tax return for tax year 2016 must provide:

- A **2016 IRS Tax Return Transcript** (that will only include information from the original tax return and does not have to be signed), or any other IRS tax transcript(s) that includes all of the income and tax information required to be verified; **and**
- A signed copy of the 2016 IRS Form 1040X, “Amended U.S. Individual Income Tax Return,” that was filed with the IRS.

Individuals Who Were Victims of IRS Tax-Related Identity Theft

An individual who was the victim of IRS tax-related identity theft must provide:

- A Tax Return DataBase View (TRDBV) transcript obtained from the IRS, or any other IRS tax transcript(s) that includes all of the income and tax information required to be verified; **and**
- A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS is aware of the tax-related identity theft.

2018–2019 Suggested Verification Text

Individuals Who Filed Non-IRS Income Tax Returns

- A tax filer who filed an income tax return with Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico and the U.S. Virgin Islands may provide a signed copy of his or her income tax return that was filed with the relevant tax authority. However, if we question the accuracy of the information on the signed copy of the income tax return, the tax filer must provide us with a copy of the tax account information issued by the relevant tax authority before verification can be completed.
- A tax filer who filed an income tax return with the tax authority for American Samoa must provide a copy of his or her tax account information.
- A tax filer who filed an income tax return with tax authorities not mentioned above, i.e. a foreign tax authority, and who indicates that he or she is unable to obtain the tax account information free of charge, must provide documentation that the tax authority charges a fee to obtain that information, along with a signed copy of his or her income tax return that was filed with the relevant tax authority.

2018–2019 Suggested Verification Text

Verification of 2016 Income Information for Student Nontax Filers

The instructions and certifications below apply to the student and spouse, if the student is married. Complete this section if the student and spouse will not file and are not required to file a 2016 income tax return with the IRS.

Check the box that applies:

- ☐ The student and spouse were not employed and had no income earned from work in 2016.
- ☐ The student and/or spouse were employed in 2016 and have listed below the names of all employers, the amount earned from each employer in 2016, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2016 IRS W-2 forms issued to the student and spouse by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2016
<i>(Example) ABC's Auto Body Shop</i>	<i>Yes</i>	<i>\$4,500.00</i>
Total Amount of Income Earned From Work		\$

Provide documentation from the IRS or other relevant tax authority dated on or after October 1, 2017 that indicates a 2016 IRS income tax return was not filed with the IRS or other relevant tax authority.

- _____ Check here if confirmation of nonfiling is provided.
- _____ Check here if confirmation of nonfiling will be provided later.

2018–2019 Suggested Verification Text

Verification of 2016 Income Information for Parent Nontax Filers

The instructions and certifications below apply to each parent included in the household. Complete this section if the parents will not file and are not required to file a 2016 income tax return with the IRS.

Check the box that applies:

- ☐ Neither parent was employed, and neither had income earned from work in 2016.
- ☐ One or both parents were employed in 2016 and have listed below the names of all employers, the amount earned from each employer in 2016, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2016 IRS W-2 forms issued to the parents by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2016
<i>(Example) ABC's Auto Body Shop</i>	Yes	\$4,500.00
Total Amount of Income Earned From Work		\$

Provide documentation from the IRS or other relevant tax authority dated on or after October 1, 2017 that indicates a 2016 IRS income tax return was not filed with the IRS or other relevant tax authority.

- _____ Check here if confirmation of nonfiling is provided.
- _____ Check here if confirmation of nonfiling will be provided later.

2018–2019 Suggested Verification Text

Number of Household Members and Number in College (Independent Student)

Number of Household Members: List below the people in the student's household. Include:

- The student.
- The student's spouse, if the student is married.
- The student's or spouse's children if the student or spouse will provide more than half of the children's support from July 1, 2018, through June 30, 2019, even if a child does not live with the student.
- Other people if they now live with the student and the student or spouse provides more than half of the other person's support, and will continue to provide more than half of that person's support through June 30, 2019.

Number in College: Include in the space below information about any household member who is, or will be, enrolled at least half time in a degree, diploma, or certificate program at an eligible postsecondary educational institution any time between July 1, 2018, and June 30, 2019, and include the name of the college.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship	College	Will be Enrolled at Least Half Time (Yes or No)
		<i>Self</i>		

Note: We may require additional documentation if we have reason to believe that the information regarding the household members enrolled in eligible postsecondary educational institutions is inaccurate.

2018–2019 Suggested Verification Text

Number of Household Members and Number in College (Dependent Student)

Number of Household Members: List below the people in the parents' household. Include:

- The student.
- The parents (including a stepparent) even if the student doesn't live with the parents.
- The parents' other children if the parents will provide more than half of the children's support from July 1, 2018, through June 30, 2019, or if the other children would be required to provide parental information if they were completing a FAFSA for 2018–2019. Include children who meet either of these standards, even if a child does not live with the parents.
- Other people if they now live with the parents and the parents provide more than half of the other person's support, and will continue to provide more than half of that person's support through June 30, 2019.

Number in College: Include in the space below information about any household member who is, or will be, enrolled at least half time in a degree, diploma, or certificate program at an eligible postsecondary educational institution any time between July 1, 2018, and June 30, 2019, and include the name of the college.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship	College	Will be Enrolled at Least Half Time (Yes or No)
		<i>Self</i>		

Note: We may require additional documentation if we have reason to believe that the information regarding the household members enrolled in eligible postsecondary educational institutions is inaccurate.

2018–2019 Suggested Verification Text

High School Completion Status

Provide one of the following documents to indicate the student's high school completion status when the student begins college in 2018–2019:

- A copy of the student's high school diploma.
- For students who completed secondary education in a foreign country, a copy of the "secondary school leaving certificate" or other similar document.
- A copy of the student's final official high school transcript that shows the date when the diploma was awarded.
- A State certificate or transcript received by a student after the student passed a State-authorized examination that the State recognizes as the equivalent of a high school diploma (GED test, HiSET, TASC, or other State-authorized examination).
- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree.
- For a student who was homeschooled in a State where State law requires the student to obtain a secondary school completion credential for homeschooling (other than a high school diploma or its recognized equivalent), a copy of that credential.
- For a student who was homeschooled in a State where State law does not require the student to obtain a secondary school completion credential for homeschooling (other than a high school diploma or its recognized equivalent), a transcript, or the equivalent, signed by the student's parent or guardian, that lists the secondary school courses the student completed and includes a statement that the student successfully completed a secondary school education in a homeschool setting.

A student who is unable to obtain the documentation listed above must contact the financial aid office.

2018–2019 Required Verification Text
(Note: Institutions must use the exact language in the Statement of Educational Purpose as provided below)

Identity and Statement of Educational Purpose
(To Be Signed at the Institution)

The student must appear in person at _____ to
(Name of Postsecondary Educational Institution)

verify his or her identity by presenting an unexpired valid government-issued photo identification (ID), such as, but not limited to, a driver's license, other state-issued ID, or passport. The institution will maintain a copy of the student's photo ID that is annotated by the institution with the date it was received and reviewed, and the name of the official at the institution authorized to receive and review the student's ID.

In addition, the student must sign, in the presence of the institutional official, the Statement of Educational Purpose provided below.

Identity and Statement of Educational Purpose
(To Be Signed in the Presence of a Notary)

If the student is unable to appear in person at _____
(Name of Postsecondary Educational Institution)

to verify his or her identity, the student must provide to the institution:

- (a) A copy of the unexpired valid government-issued photo identification (ID) that is acknowledged in the notary statement below, or that is presented to a notary, such as, but not limited to, a driver's license, other state-issued ID, or passport; and
- (b) The original Statement of Educational Purpose provided below, which must be notarized. If the notary statement appears on a separate page than the Statement of Educational Purpose, there must be a clear indication that the Statement of Educational Purpose was the document notarized.

Statement of Educational Purpose

I certify that I _____ am the individual signing
(Print Student's Name)

this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending _____ for 2018–2019.
(Name of Postsecondary Educational Institution)

(Student's Signature)

(Date)

(Student's ID Number)

Texto de verificación requerida para 2018–2019
(Nota: Las instituciones deben utilizar el lenguaje exacto en la Declaración de Propósito Educativo que se presenta a continuación)

Verificación de Identidad y Declaración de Propósito Educativo
(Para ser firmadas en la institución)

El estudiante debe comparecer en persona en _____ para
(Nombre de la institución educativa postsecundaria)

verificar su identidad mediante la presentación de una identificación con fotografía (ID) válida emitida por el gobierno que no haya expirado, como una licencia de conducir, otro tipo de identificación emitida por el estado o pasaporte, entre otros. La institución conservará una copia de la identificación con fotografía del estudiante en la cual se anotará la fecha en la que se recibió y revisó, y el nombre del funcionario de la institución autorizado a recibir y revisar las identificaciones de los estudiantes.

Además, el estudiante debe firmar, en presencia del funcionario de la institución, la Declaración de Propósito Educativo proporcionada a continuación.

Verificación de Identidad y Declaración de Propósito Educativo
(Para ser firmadas en presencia de un notario)

Si el estudiante no es capaz de comparecer en persona en _____
(Nombre de la institución educativa postsecundaria)
para verificar su identidad, el mismo debe proporcionar a la institución:

- (a) una copia de la de identificación con fotografía (ID) válida emitida por el gobierno que no haya expirado, que se reconoce en la declaración del notario que aparece a continuación, o que se presenta ante un notario, como una licencia de conducir, otro tipo de identificación emitida por el estado o pasaporte, entre otros; y
- (b) la Declaración de Propósito Educativo original proporcionada a continuación debe ser notarizada. Si la declaración del notario aparece en una página separada de la Declaración de Propósito Educativo, se debe indicar de manera clara que la Declaración de Propósito Educativo era el documento notarizado.

Declaración de Propósito Educativo

Certifico que yo, _____, soy el individuo que firma esta
[Imprimir nombre del estudiante]

Declaración de Propósito Educativo, y que la ayuda financiera federal estudiantil que yo pueda recibir sólo será utilizada para fines educativos y para pagar el costo de asistir a _____ para 2018–2019.
[Imprimir nombre de institución educativa postsecundaria]

[Firma del estudiante]

[Fecha]

[Número de identificación del estudiante]

2018–2019 Suggested Verification Text

Sample of a Notary's Certificate of Acknowledgement

Notary's certification may vary by State

State of _____

City/County of _____

On _____, before me, _____,
(Date) (Notary's name)

personally appeared, _____, and proved to me
(Printed name of signer)

on the basis of satisfactory evidence of identification _____

(Type of unexpired government-issued photo
ID provided)

to be the above-named person who signed the foregoing instrument.

WITNESS my hand and official seal

(seal)

(Notary signature)

My commission expires on _____
(Date)

2018–2019 Suggested Verification Text

Certification and Signature (Independent Student)

Certification and Signature

Each person signing below certifies that all of the information reported is complete and correct.

WARNING: If you purposely give false or misleading information, you may be fined, sent to prison, or both.

Print Student's Name

Student's ID Number

Student's Signature (Required)

Date

Spouse's Signature (Optional)

Date

2018–2019 Suggested Verification Text

Certifications and Signatures (Dependent Student)

Certifications and Signatures

Each person signing below certifies that all of the information reported is complete and correct. The student and one parent whose information was reported on the FAFSA must sign and date.

WARNING: If you purposely give false or misleading information, you may be fined, sent to prison, or both.

Print Student's Name

Student's ID Number

Student's Signature

Date

Parent's Signature

Date